



# Cleveland District Office News

Information for the Small Business Community

October 2006

U.S. Small Business Administration  
Cleveland District Office

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## October 2006 Newsletter

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## For More Information

SBA Home Page: [www.sba.gov](http://www.sba.gov)

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.

- SBA Answer Desk:  
1-800 U ASK SBA
- Fax: 202-205-7064

- E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)

- TDD: 704-344-6640

- Your rights to regulatory fairness:  
1-800-REG-FAIR

All of the SBA's programs and services are provided to the

public on a non-discriminatory basis.



## LOAN REPORT as of September 30



### Total Loan Volume – SEPTEMBER 2006 (7(a) and 504 Combined)

| Bank                 | Number of Loans | Dollars (In Thousands) |
|----------------------|-----------------|------------------------|
| Charter One Bank     | 636             | \$31,977               |
| National City Bank   | 261             | \$33,375               |
| US Bank              | 172             | \$10,589               |
| JP Morgan Chase Bank | 167             | \$25,189               |
| FirstMerit Bank      | 162             | \$26,155               |

### 504 Loans

| Bank                     | Number of 504s |
|--------------------------|----------------|
| KeyBank                  | 22             |
| National City Bank       | 17             |
| FirstMerit Bank          | 16             |
| Huntington National Bank | 9              |
| SkyBank                  | 9              |

| CDC                              | Number of Approvals | Dollars (In Thousands) |
|----------------------------------|---------------------|------------------------|
| Growth Capital Corp.             | 46                  | \$15,904               |
| Cascade Capital Corp.            | 26                  | \$12,376               |
| MVEDC                            | 16                  | \$8,090                |
| Lake County SBAC                 | 13                  | \$3,372                |
| Stark Dev Board Finance Corp.    | 13                  | \$3,238                |
| Ohio Statewide Development Corp. | 5                   | \$2,376                |
| Horizon Certified Dev Co, Inc.   | 4                   | \$4,380                |
| Community Capital Dev. Corp.     | 3                   | \$564                  |
| Northwest Ohio Dev Ass't Corp.   | 2                   | \$779                  |
| Lucas County Improvement Corp.   | 1                   | \$720                  |
| MEACO                            | 1                   | \$350                  |
| West Central Partnership         | 1                   | \$196                  |

## President Bush to Nominate Top Latina Professional as SBA Deputy Administrator

President George W. Bush has announced that he intends to nominate Jovita Carranza, one of the top Latina professionals in the country, as the U.S. Small Business Administration's deputy administrator. In 2004, Hispanic Business magazine named Carranza Hispanic Woman of the Year. Carranza, a 30-year veteran of UPS, was most recently vice president of air operations at the worldwide package shipping company.

Because small businesses are one of the largest customer bases for UPS, Carranza is well aware of their needs, and throughout her career, she has been actively involved in initiatives to address their requirements to help them compete in the global marketplace.

"Jovita brings great sensitivity to the issues small businesses face as well as the sophistication of being part of an organization with complex operations," said SBA Administrator Steven C. Preston. "This combination of insight and business skills will bring tremendous value to the SBA as we strive to create a higher degree of customer responsiveness and operational sophistication to the agency. As part of the new leadership team at SBA, Jovita and I will work together to take the agency to the next level."

While at UPS, Carranza also served as president of Latin American Operations and the Caribbean. Additionally, she has extensive experience in human resources management and work force planning. In addition to her professional career, Carranza has been actively involved in community service, both in leadership and advisory capacities. ♦

## News for SBA Lenders

### SBA Revises Fees Paid by CDCs, Lenders and Borrowers



Each year SBA reviews the fees payable to SBA by certified development companies (CDCs) and 7(a) participating lenders (Lenders) as well as the borrowers to determine if they are sufficient to cover the estimated costs of the 504 and 7(a) loan programs. The purpose of this notice is to announce the revised ongoing fees for both programs for loan approved during FY 2007.

These fees are imposed under Section 503(b)(7) of the Small Business Investment Act and Section 7(a)(23) of the Small Business Act, respectively. These ongoing fees plus the other fees paid to SBA will keep each of these lending programs at a zero subsidy rate. At this time there are no changes to any of the other fees payable to SBA in either the 504 or 7(a) programs.

#### 504 Loan Program

For 504 loans approved on or after October 1, 2006, the "ongoing guarantee fee" paid by borrowers to SBA will be 0.018 percent (1.8 basis points) of the outstanding balance of the 504 loan.

#### 7(a) Loan Program

For 7(a) loans approved on or after October 1, 2006, the "yearly fee" due from participants to SBA will be 0.55 percent of the guaranteed portion of the outstanding balance on the 7(a) loan. In the 7(a) Authorization Wizard this is referred to as the "ongoing service fee."

#### Instructions to Manually Change the 504 and 7(a) Authorizations

To change the default fee in the 504 authorization, change the "ongoing guarantee fee" from 0.192 to 0.018 percent. Then click the "Default" button located in the same section. The new value will then be set on that computer for all future 504 loan authorizations. When using the current 7(a) Authorization Wizard, change the "ongoing service fee" from 0.545 to 0.55 percent. This will change the fee only for the specific authorization being written.

The 0.55 value **will not** be set as a default for future 7(a) authorizations. The Wizard will revert to the 0.545 value when again used to create a new authorization, so the change must be made manually for each 7(a) loan until the 7(a) Authorization Wizard is updated. Future versions of the 7(a) authorization will enable a one-time default setting.

#### Questions

Please contact our Lender Relations' Division at (216) 522-4180 if you have any questions about these changes. ♦

## The SBA Small Business Online Training Network—Log on!



Now is the time to log on to SBA's Small Business Training Network, which is expanding its inventory of online courses in 2006 to meet the ever-changing needs of small businesses across the country. "Entrepreneurs will discover that state-of-the-art training is available twenty-four/seven, from their home, business, or wherever they have Internet accessibility," said Cheryl A. Mills, SBA associate deputy administrator for entrepreneurial development. The SBTN, [www.sba.gov/training](http://www.sba.gov/training), is a virtual campus housing training courses, workshops, publications, information resources, learning tools and direct access to electronic counseling and other forms of technical assistance designed to assist entrepreneurs and other students of enterprise. "The added benefit of training can make all the difference," said Mills. Why wait? Log on today! ♦

### Cleveland District Office Program Staff

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**Richard A. Lukich**, District Counsel

#### Lender Relations:

**James F. Donato**, Manager and PIO  
**Timothy J. Ensich**, Lender Relations Specialist  
**Mark C. Hansel**, Lender Relations Specialist  
**Thomas R. Sangrik**, Lender Relations Specialist

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**James M. Duffy**, ADD/BD  
**John R. Renner**, Business Development Specialist  
**Sonya M. Wagasky**, Business Development Specialist

## SBA Moves to Improve Disaster Response Region V Administrator Pat Rea Named Head of Accelerated Disaster Response Initiative

Steven C. Preston, the Administrator of the U.S. Small Business Administration (SBA), has announced the appointment of Chicago Regional Administrator Patrick "Pat" Rea as chief of the Accelerated Disaster Response Initiative, reporting directly to the Administrator. The initiative was formed recently to identify and help implement process improvements to enable the agency to respond more rapidly in assisting small businesses and homeowners seeking financial assistance after a disaster. The initial focus will be on accelerating the disbursement process for disaster loans to victims of last year's devastating hurricanes.

"Thousands of dedicated SBA employees and managers continue to work long hours to help the victims of last year's hurricanes and other disasters," said Administrator Preston. "But their best efforts have sometimes been overwhelmed by the scope of recent catastrophes. This initiative will focus on streamlining our processes to help our people be more responsive." In the year since Hurricanes Katrina, Rita and Wilma struck the Gulf Coast and Florida, the SBA received an unprecedented 422,000 disaster loan applications and approved more than 157,400 low-interest loans for more than \$10.5 billion.

"Pat's take-charge style and extensive banking experience is exactly what is needed to lead this initiative," said Preston. "Pat will lead a team of process experts, dedicated analysts and leaders in our Office of Disaster Assistance in a coordinated effort to drive our capabilities to the next level." Rea has been the SBA's Midwest regional administrator for SBA since 2003. Prior to his appointment, he served as executive director of the Illinois Development Finance Authority. Rea also spent over 30 years as a senior banker at Banc One, and he is a retired brigadier general in the United States Army Reserve. ♦

## Small Business Drives Ohio's Economy: Represents 98.3 Percent Of The State's Businesses, Employs 2,351,579

Small business continues to drive Ohio's economy, according to a report issued by the Office of Advocacy of the U.S. Small Business Administration. Newly released data show that in 2005, small businesses represented 98.3 percent of the state's employer businesses. Data also show that they employed 2,351,579 or 49.3 percent of the non-farm private sector workforce. "Clearly small business is a major part of Ohio's economy," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Small businesses innovate and create new jobs at a faster rate than their larger competitors."

The *State Small Business Profiles* uses the latest federal government statistics to detail small business' contribution to the economy of the states, District of Columbia, the nation, Puerto Rico, and the U.S. territories. *Small Business Profiles* from 2001 to present may be found at [www.sba.gov/advo/research/profiles/](http://www.sba.gov/advo/research/profiles/). Citing a variety of sources, the annually updated data documents the number and type of businesses, ownership demographics including minority and women-owned statistics, employment and financing data, and other business information. ♦